

Message Text

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PAGE 01 BUENOS 05428 152004Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
-----047735 161201Z /43
R 142106Z JUL 78
FM AMEMBASSY BUENOS AIRES
TO USDA/FAS WASHDC
INFO SECSTATE WASHDC 6499

UNCLAS BUENOS AIRES 5428

FOR: GRAIN AND FEED DIVISION, FCA
OILSEEDS AND PRODUCTS DIVISION, FCA

TOFAS 199

E.O. 11652 N/A
TAGS ELAB, ETRD, EWWT, AR
SUBJECT ARGENTINE PORT CONGESTION (11AL)

REF: A TOFAS 159; B TOFAS 165

1. ARGENTIN PORT CONGESTION CONTINUES TO WORSEN. REPORTEDLY 94 VESSELS ARE NOW WAITING FOR BERTHS AT PORT OF BUENOS AIRES - THE WORSE BACKLOG IN HISTORY. AT HEIGHT OF CONGESTION LAST YEAR, TIME BETWEEN ARRIVAL, LOADING AND SAILING OF VESSEL ESTIMATED AT 25 DAYS. THIS YEAR ESTIMATE IS 45 DAYS.

2. SITUATION HAS DETERIORATED IN RECENT WEEKS DUE TO REFUSAL OF LONGSHOREMEN AND TUG OPERATORS TO WORK OVERTIME. (LONGSHOREMEN ARE PAID 50 PERCENT OF REGULAR WAGE FOR OVERTIME. THEY ARE NOW DEMANDING 100 PERCENT). TO A LESSER EXTENT HEAVY RAINS DURING LAST 10 DAYS HAVE INTENSIFIED CONGESTION.

3. SINCE THERE APPEARS TO BE NO IMMEDIATE RESOLUTION
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TION TO REFUSAL OF LONGSHOREMEN TO WORK OVERTIME, SHIPPERS ARE NOW ESTIMATING 45-60 DAYS BEFORE BACK-LOG WILL BE WORKED OFF.

4. THE EFFECT OF PORT SITUATION ON TOTAL ARGENTINE GRAIN AND OILSEED EXPORTS THIS SEASON IS NOT QUANTIFIABLE AT THIS TIME. HOWEVER: (A) POSSIBILITY OF OPTIONAL

ORIGIN CONTRACTS INTENDED FOR ARGENTINE EXECUTION BEING
SWITCHED TO US INCREASES AS LENGTH OF CONGESTION IS
EXTENDED (THIS HAS ALREADY OCCURRED IN CORN AND SOYBEANS);
(B) DEMURRAGE FOR THE SEASON IS ESTIMATED AT BETWEEN
U\$S 50 - 100 MILLION. THIS IS REFLECTED IN DISCOUNT OF
ARGENTINE COMMODITIES COMPARED WITH THOSE OF US. FOR
EXAMPLE ARGENTINE SOYBEAN FOR AUGUST CONTRACT ARE
DISCOUNTED U\$S 1.00 PER BUSHEL COMPARED WITH US BEANS.
ON FOB TO FOB COMPARISON, CORN UP-RIVER ARGENTINE QUOTED
TODAY FOR AUGUST CONTRACT AT U\$S 100.50 COMPARED WITH
US GULF \$106.70.
HIGGINS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PORT CONGESTION
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Draft Date: 14 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUENOS05428
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780292-0158
Format: TEL
From: BUENOS AIRES
Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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Message ID: 95169e73-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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